

STATE OF COLORADO

DIVISION OF HOUSING

Kathi Williams, Director

STATE HOUSING BOARD MEETING
Centennial Building
1313 Sherman St., Denver, CO, Room 318
Monday, November 10, 2008



AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Theo Gregory
	Director's Comments	Kathi Williams

Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
1:15 p.m.	09-005	San Juan County / Housing Solutions for the Southwest – Housing Rehab Program	Bill Whaley & Kim Welty
1:30 p.m.	09-003	Otero County / Tri-County Housing CDC Home Construction Program	Rick Hanger & Ramona Stites
1:45 p.m.	09-009	Crowley County / Tri-County Housing CDC Self Help Rehabilitation Program	Rick Hanger & Ramona Stites
2:00 p.m.	09-010	Huerfano County / SCCOG Housing Rehabilitation Program	Rick Hanger & Priscilla Fraser
2:15 p.m.	09-012	Conejos County Housing Authority Plaza del Sol Manor Apartments	Rick Hanger & Simona Guillen
2:30 p.m.	09-011	Montezuma County Brubaker Place	Bill Whaley & Terri Wheeler

Approval Process

2:45 p.m.	09-005	09-003	09-009	09-010	09-012	09-011
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Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5154 by November 7, 2008.

cc:	Susan Kirkpatrick	CHATS	Teresa Duran	Kathi Williams
	Rick Hanger	Lynn Shine	Steve Bernia	State Housing Board Members

STATE HOUSING BOARD MINUTES
Retreat in Breckenridge, CO
Wednesday, October 15, 2008

BOARD MEMBERS PRESENT: Suzanne Anarde, Theo Gregory, Sally Hatcher, Gene Lucero, Mike Rosser and Karen Weitkunat

BOARD MEMBERS ABSENT: Jack Kelly.

DOH STAFF PRESENT: Kathi Williams, Susan Kirkpatrick, Rick Hanger, Teresa Duran, Autumn Gold, Meghan Duggins, Denise Selders, Ryan McMaken, Bill Whaley and Trang Van

DIRECTOR'S COMMENTS

During the 2008 Legislative Session, the General Assembly passed House Bill 1402 which pertains to Foreclosure prevention and outreach. One of the provisions of the bill was an appropriation of \$100,000 to the Colorado Division of Housing in order to provide the outreach.

An RFP was put out for the \$100,000 in funds for Foreclosure outreach. Eight responses were received, however, some were not responsive to the RFP, but Ryan has done an analysis of the ones that were responsive. The good news and the bad news is that there is only \$100,000. Some of these seemed so good that it was a shame DOH only had \$100,000. DOH has made contact with CHFA who is the administrator of the counseling funds coming from the federal government in which there is some outreach money in that particular grant. We will be forwarding applications to CHFA to see if we can get as many of these good proposals funded as possible. CHFA tells me that they may not know until December how much money they have for outreach, but we are working diligently on that particular process.

RYAN'S COMMENTS

As Kathi noted, during the legislation of 2008, House Bill 1402 was passed and signed into law. 1402 has two or three different provisions, but one of those provisions granted the Division of Housing \$100,000 to be used solely for outreach and education about foreclosure prevention services. These funds were not to be used for general foreclosure prevention, but for outreach to drive people towards that foreclosure prevention. An RFP was then developed to seek proposals from those who were familiar with providing foreclosure outreach. Of the eight applications received, we pass on five today. The thinking of the staff was due to the competition and the nature of the grant in being a one time thing; we really wanted to see more decision making from the Board in terms of who would end up with the funds and how much money would be given to applicants. It was stated in the RFP that there was \$100,000, but it didn't really say how much of that you should ask for, so clearly there's a large diversity of money asked for. The five brought forward were acceptable applications because they had a plan, it was professionally done and it conformed to the legislation. The applications came in to me and I sent it out to the staff for their comments. Several different criteria were created: whether the organization is established in the community, have they been around a while, are they financially sound, specific experience

of foreclosure prevention in the community and experience working with the foreclosure prevention network. That is how you ended up with these applications.

DOH did not recommend giving the \$100,000 to any one organization. Having looked back at the legislation, there seemed to be a statewide intent, not just foreclosure outreach in one community. If you look at the geographic diversity, we did not receive any applications for Pueblo, but we did receive them from Colorado Springs, Metro Denver area and Northern Colorado.

APPLICATIONS REVIEWED IN OCTOBER

Adams County Housing Authority

Grant Request: \$100,000

PRO:

- The housing authority is already one of the most active members of the foreclosure hotline network.
- ACHA has been a leader in outreach in foreclosure prevention since 2006 when they conducted numerous workshops in the community and have also hosted a variety of other projects in the community including outreach at various shopping centers and other community centers.
- ACHA has very extensive and long-term relationships with the hotline and has been very active in hotline-wide events and other outreach events for over two years.
- ACHA is a well established organizations with a long-term presence in the community
- ACHA's housing counseling staff has been notable for its timely reporting to the foreclosure hotline.

ACORN Institute

Grant Request: \$75,000

PRO:

- ACORN has experience working with lenders and servicers and anticipating changes in the servicing environment.
- Has established networks within low-income communities in the Denver area.
- Has shown capacity in its past work in similar campaigns in other parts of the U.S.
- ACORN's detailed system of data collection of contacts and progress made with borrowers will facilitate reporting to the legislature.

CON:

- ACORN has only recently joined the Colorado Foreclosure Prevention Task Force.
- ACORN is not a HUD-approved housing counseling agency and does not presently provide housing counseling services.
- No leveraging of funds from local entities and no capacity for providing local housing counseling.

Boulder County Housing Authority

Grant Request: \$23,020

PRO:

- BCHA is a long time member of the hotline network and is a HUD approved housing counseling agency.
- BCHA has demonstrated a high capacity for new programs and efforts.
- BCHA is a well established organization providing evidence of extensive financial organization.
- BCHA will be supporting the program with its own counseling services.

CON:

- Boulder and Broomfield are not as heavily impacted as areas being covered by other agencies (with the exception of Longmont).

Consumer Credit Counseling Services of Northern Colorado

Grant Request: \$23,000

PRO:

- CCCS is the only organization targeting Northern Colorado that has applied.
- Northern Colorado is a very heavily hit area.
- CCS has already spearheaded a number of outreach efforts in Northern Colorado.
- CCCS is asking for a fairly small portion of the \$100,000 available.
- They are already extensively involved with the hotline and have been counseling borrowers for years.
- Has handled a very large portion of foreclosure prevention activity in Northern Colorado.
- Has been a key part of the Larimer County and Weld County foreclosure task force efforts.

CON:

- CCCS does not propose to leverage other funds

Del Norte

Grant Request: \$10,000

PRO:

- Del Norte is clearly familiar with the media landscape for Latino/Hispanic markets in the Denver Metro area.
- Del Norte is currently a HUD approved housing counseling agency.
- Del Norte currently has developed relationships with Neighborworks America, various mortgage lenders and other partners essential in reaching out to borrowers.

- The requested amount is very small and is clearly within Del Norte’s administrative capacity.
- Del Norte will be leveraging over \$20,000 through its own fundraising and resources to supplement these outreach funds with its own counseling.

Recommendation of Funding:

Adams County Housing Authority	\$45,000
ACORN Institute	\$0
Boulder Housing Authority	\$17,000
Consumer Credit Counseling Service	\$23,000
Del Norte	\$15,000

There was a motion to move and a second. All in Favor.

OTHER BUSINESS

- **Energy Standards Proposal – Steve Bernia**
 - Senate Bill 147 was passed, requiring the Board to adopt standards on public housing.
 - Organizations, states and communities have been developing many different standards.
 - Most standards are similar and all have the same energy efficiency goal, environmentally friendly and durable development.
 - CDOH believes that consolidation of the many standards in the future will be beneficial for the “going green” movement.
 - Until this occurs, the Board needs to adopt an energy policy that is flexible to allow development of various projects.
 - The Board may approve an alternate or waive energy-efficient standards for just cause.
 - The Board would like to make one change, to add the word minimum to the following line: **State *minimum* Energy Efficient Standards of the State of Colorado.**

The meeting adjourned at 11:52 a.m.

APPLICATIONS REVIEWED IN SEPTEMBER

**Summit Combined Housing Authority
Down Payment Assistance Program****Project Number: 08-041**

Project Manager & Address: Ms. Jennifer Kermode
Executive Director
Summit Combined Housing Authority
P.O. Box 188
Breckenridge, CO 80424
(970) 423-7043 telephone
(970) 423-7045 fax
email: Jenniferk@summithousing.us

Project Address: Various locations in Summit County

Project Description: The Summit Combined Housing Authority (SCHA) requests a \$45,960 grant for administrative costs to operate their existing down payment assistance program serving the non-entitlement areas of Summit County. SCHA will provide a minimum of sixteen (16) down payment assistance loans from Program Income over the next year. These grant funds will be used to provide low-interest down payment assistance loans to homebuyers earning less than 80% AMI (the HUD Low Income limit) who work a minimum of 30 hours/week in Summit County. The program is not limited to first-time buyers. SCHA provides the homebuyer education classes through their CHFA approved program. This Program is operated in accordance with the CDOH Down Payment Assistance Program Guidelines. SCHA services the CDOH loan portfolio as well as managing two other DPA programs: The House to Homeownership (H2O) funded by Funding Partners and the Colorado Mountain Housing Coalition (CMHC), both of which serve homebuyers earning below 100% AMI.

Staff Recommendation: Full Funding

Date of Meeting: September 9, 2008

Anarde	Full Funding	Lucero	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved Full Funding for this project.

**Montrose County Housing Authority / VOA
Elderly Housing III Apartments**

Project Number: 08-043

Project Manager & Address: Shalonda Lincoln
VOANS
1660 Duke Street
Alexandria, VA 22314-3427
(703) 341-5057
Fax (703) 341-7001
SLincoln@voa.org

Project Address: 1819 Pavilion Drive, Montrose, CO

Project Description: Volunteers of America and the Montrose County Housing Authority are requesting a \$571,696 grant to construct 30 units of low-income elderly rental apartments in the City of Montrose. The three-story structure will be funded primarily with a HUD 202 Capital Advance which operates as a 40 year loan which is forgiven at the end of the term and requires no payment. HUD 202 funds have been maximized and the project requires CDOH funding to fill the gap. The building will contain 30 one-bedroom 1 bath apartments which will be supplemented with a Project Rental Assistance Contract from the HUD 202 program that will ensure that no resident pays more than 30% of their income in rent. Qualifying tenants will all be below 50% of Area Median Income. One two-bedroom unit will also be constructed to provide residence for an on-site manager. The development will be located on 2.9 acres on the VOA campus which includes senior independent apartments, a nursing home, and a low-and-moderate-income family rental complex.

Staff Recommendation: Full Funding

Date of Meeting: September 9, 2008

Anarde	Full Funding	Lucero	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved Full Funding for this project.

**Carbondale Senior Housing Corporation
Crystal Meadows Phase**

Project Number: 08-060

Project Manager & Address: Jerome Whalen
Carbondale Senior Housing Corp.
1250 Hendrick Drive
Carbondale, CO 81623
(970) 963-3300
Fax (970) 963-9326

Project Address: S Side Westridge Court, Carbondale, CO

Project Description: Carbondale Senior Housing Corporation and The Town of Carbondale are requesting a \$225,000 grant to construct 15 units of low-income elderly rental apartments in the Town of Carbondale. This is Phase 5 of senior housing development which will total 79 units, and will be funded primarily with a HUD 202 Capital Advance which operates as a 40 year loan which is forgiven at the end of the term and requires no payment. HUD 202 funds have been maximized and the project requires CDOH funding to fill the gap. The building will contain 15 one-bedroom 1 bath apartments which will be supplemented with a Project Rental Assistance Contract from the HUD 202 program that will ensure that no resident pays more than 30% of their income in rent. Qualifying tenants will all be below 50% of Area Median Income. The development will be located on a 32,673 square foot parcel adjacent to the other 64 units of Crystal Meadows.

Staff Recommendation: Full Funding

Date of Meeting: September 9, 2008

Anarde	Full Funding	Lucero	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved Full Funding for this project.

**Las Animas County
Down Payment Assistance Program**

Project Number: 09-001

Project Manager & Address: Ms. Donna Haddow
Executive Director
Huerfano/Las Animas Housing Resources, Inc.
134 West Main Street, Suite 12
Trinidad, Colorado 81082
719.846.7882 telephone
719.846.4550 fax
housingresources@yahoo.com

Project Address: Various in Huerfano and Las Animas Counties

Project Description: Las Animas County, on behalf of Huerfano/Las Animas Housing Resources, Inc. (HLHR), is requesting a \$42,100 CDBG grant to provide a minimum of seven (7) down payment assistance loans in Huerfano and Las Animas counties over the course of the next year. These grant funds will be used by the HLHR, Inc. to provide low-interest loans to assist in the purchase of homes by first-time homebuyers. This Program has been in operation for two years and has provided down payment assistance to seven (7) households to date. First-time home buyer counseling is provided through the CHFA Website and providers in the Pueblo area.

Staff Recommendation: Full Funding

Date of Meeting: September 9, 2008

Anarde	Full Funding	Lucero	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved Full Funding for this project.

**Housing Authority of Trinidad
Community Housing Services**

Project Number: 09-004

Project Manager & Address:

Mr. Sam Maxwell
Executive Director
Community Housing Services, Inc.
1212 Mariposa Street
Denver, Colorado 80204
303.831.1750 ext. 200

Project Description: The Housing Authority of the City of Trinidad, on behalf of Community Housing Services, Inc., requests a \$45,000 CDBG grant to provide housing information and referrals, landlord tenant counseling, senior housing locator assistance, effective tenant training, and homeless and/or displacement services to the low-income households in non-entitlement areas of Colorado. Community Housing Services, Inc. provides households at risk of homelessness or unnecessary displacement with assistance concerning their rights and the community resources available to them. The City and County of Denver, Arapahoe County, and the City of Westminster have been provided similar services by Community Housing Services, Inc. for over two decades.

Staff Recommendation: Full Funding

Date of Meeting: September 9, 2008

Anarde	Full Funding	Lucero	Full Funding
Gregory	Full Funding	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding
Kelly	Full Funding		

The Board approved Full Funding for this project.

OTHER BUSINESS

Steve Bernia – Revised Installation Rules for Adoption

Resolution 38 – Manufactured Housing Installation program

- Rules have been revised based on the passage of House Bill 1319 which requires annual training for installers and inspectors.
- HUD has recently adopted an installation component for their program and it does require annual training.
 - We wanted to match up with their requirements to be an improved installation state and keep that work here at the state level and not defer back to the federal level to try to handle installation issues and complaints.
- The Revision in the rule is to take care of the installation training requirement.
- The annual requirements is for the installers, however, for the inspectors we have adopted a three year requirement because that is the International Code Council (ICC) handles certification of inspectors.
 - It is a three year process to getting the education and training that you need to maintain your certification.
 - Matching what ICC does will make it easier on everyone.
- One minor change was made: the fee for the registration of inspectors in Appendix A.
 - Installers - \$100 / year
 - Inspectors - \$300 / 3 years

Stakeholder's Meeting – Future Funding Issues

- The minutes from this meeting has been distributed to the Board members and has also been posted on our website.

The meeting adjourned at 5:03 p.m.

NOVEMBER PRESENTATIONS

Housing Solutions for the Southwest (HSS) Housing Rehabilitation Program

Project Number: 09-005

Project Manager & Address: Kim Welty, Executive Director,
295 Girard St.
Durango, CO 81303
(970) 259-1086
Fax (970) 259-2037
kwelty@swhousingsolutions.com

Project Description: HSS is requesting a \$144,742 grant to fund salary, benefits and overhead for the rehabilitation program. This is a continuing program for this agency, which uses RLF funds to make loans for single-family owner-occupied rehabilitation in Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties. San Juan County will sponsor pass through of CDBG funds. HSS has completed 6 rehab jobs in the last year with 5 others nearing completion, and proposes to complete 16 rehab jobs for the coming year.

PROJECT BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Section 1.01 Rehabilitation and Replacement	\$184,000		\$184,000	RLF Income	Committed
Project Administration	\$127,365	\$127,365			
Program Administration	\$17,377	\$17,377			
Totals	\$328,742	\$144,742	\$184,000		

PROJECT ASSESSMENT FOR OWNER-OCCUPIED REHABILITATION

Criteria	Project Data	DOH Range
(a) Rehabilitation Financing		
Value of Current Loan Portfolio	\$2,993,120	
Total # of Loans in Portfolio	338	
# of Deferred Loans in Portfolio	16	
Value of Loans Deferred until Sale or Transfer	\$97,140 5.5% of Portfolio Value	Up to 25%
Annual Program Income	\$162,951	
Total # of New Loans	16	
New Loans from Program Income	16	
New Loans from CDOH Grant	None	
Maximum CDOH Loan Amount	\$24,999	\$24,999
Loan Terms & Rates	10 years +, 0-2% interest	
Rehabilitation Costs		
Average Rehabilitation Cost	\$11,500	\$9,750 to \$25,000
Average Replacement Cost	N/A	
Average Emergency Repair Cost	N/A	
Market		
Qualifying Household Income	\$26,950-43,100 (Archuleta, Dolores, Montezuma, San Juan) \$29,700-47,500 La Plata	50%-80% AMI, 4 people
# of Applicants on Waiting List	3	
Geographic Distribution of Projects vs. Population	Archuleta 1, La Plata 2, Montezuma 12	
Program Operations		
Administrative Cost/New Loan	\$9,046	
CDOH Funding Eligibility	CDBG	

COMMENTS:

- **Management Capacity**

Pro

HSS has been a CHDO since 1994 and has a long history of operating Weatherization, SFOO Rehab, and Rental Rehab in the southwest region of the state.

They were fully capitalized under the State SFOO Rehab program and have received additional infusions of capital to the fund as well as funding for administrative costs, including CHDO operating funds. DOH staff conducted monitoring and board training and planning sessions, and hired a consultant to conduct a management assessment and make recommendations. The board of directors has accepted those recommendations and has modified internal accounting and policy to conform to those recommendations and monitoring findings. The agency spun-off some social service programs to other providers in order to consolidate their focus and trim administrative costs. They have developed a business plan and are revising accounting systems to be better able to provide a clear financial statement.

Con None.

- **Public/Private Commitment**

Pro

Matching funds are being requested from four of the five counties served.

Con

No local match was provided by Montezuma County or the City of Cortez.

Explain Variances from ranges: Administrative costs are at the upper end of the range of costs for rehabilitation programs in the state. Some of the contributing factors include the large number of loans in the portfolio, the large geographic territory served, and the fact that the agency is based in Durango with resort area salary and overhead costs.

Other Projects funded in the counties served since 11/07: None

Other Projects funded for applicant since 11/07: CHDO Operating \$122,000

Archuleta, Dolores, Montezuma, San Juan County AMI: \$53,900, La Plata County AMI: \$60,600

Staff Recommendation: Full Funding

Date of Meeting: November 10, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

**Crowley County – Tri-County Housing and CDC
Home Construction Program**

Project Number: 09-003

Project Manager & Address: Ms. Ramona Stites
Tri-County Housing and Community Development Organization
P.O. Box 87
Fowler, Colorado 81039
(719) 263-5168 telephone
monie@tchcdc.org

Project Address: Various



Project Description: Crowley County, on behalf of the Tri-County Housing and Community Development Organization (TCHCDC), is requesting a grant of \$155,000 to provide a pilot a Homeownership New Construction and Acquisition/Rehabilitation/Resell Program for households at 80% of Area Median Income or less in Bent, Crowley and Otero counties. These grant funds will be used to provide five (5) low-interest loans of up to \$25,000 each to assist in the construction and financing of new single-family homes. The first mortgage for these homes will be provided through the Rural Home Loan Partnership Program (Rural Development) that will allow TCHCDC to be in first position on the home. The homes will be constructed on existing in-fill lots or subdivisions and will be modeled after the successful home designs of the RD Mutual Self-Help Housing Program.

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Home Construction/ Purchase	\$741,750	\$125,000	\$600,000 \$15,000 \$1,750	Rural Development FHLLB Local Communities	Pending Committed Committed
General Admin.	\$26,750	\$25,000	\$1,750	(i) Local Communities	Committed
Direct Admin.	\$5,000	\$5,000			
Totals	\$773,500	\$155,000	\$618,500		

PROJECT ASSESSMENT FOR HOME CONSTRUCTION PROGRAM

Criteria	Project Data	DOH Range
Loan Portfolio Info		
Number of loans	None - New Program	
From Program Income	None - New Program	
From New Grant	None - New Program	
Market Area Summary		
No. of affordable homes for sale	16	
Average price of homes for sale	\$25,000 to \$70,000	
Site Development		
Per Site Cost	Included in developed lot cost	
Land Acquisition/Site	Included in developed lot cost	
Onsite Improvements/Site	None planned	
Offsite improvements/Site	None Planned	
Unit Purchase Price	\$84,000 - \$145,970	\$206,160 – FHA maximum
Mortgage Info		
Homebuyers Equity	Varies depending on mortgage	1%, or \$1,000

Purchase Price Range @ 80% AMI	Up To Approximately \$145,970	\$206,160 – FHA maximum
Mortgage Source(s)	Rural Home Loan Partnership	
Mortgage terms & rates	396 months @ 1-6% interest	
DOH Criteria		
# of Visitable Units	As available	All units Encouraged
# of Energy Star Units	Yes	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	Yes	Follow Denver Water Board Recommendations
Priority	None	
Eligibility Criteria	CDBG, HDG, HOME	

Comments:

- **Management Capacity**

Pro:

1. TCHCDC has recently hired a new Executive Director (10/07) that has extensive affordable housing program background. Since October 2007, TCHCDC has reduced staff, developed a 2-year Strategic Business Plan, and has completed a reorganization of their accounting systems.
2. TCHCDC has acted as the general contractor and developer of a total of 33 new construction single-family homes since 1991 and will use this experience to pilot this Program. In addition, TCHCDC provides first-time home buyer education and credit counseling.

Con: None.

- **Public/Private Commitment**

Pro:

1. There are ten (10) local governments in the TCHCDC service area that contribute funding for projects in their area, as well as in-kind service from the building departments and the Commissioners office. Each local government that is a TCHCDC partner provides \$700 for each project provided in their area. In-kind contributions include engineering assistance and the use of large equipment as needed.
2. Several local governments in the area are evaluating their inventories of developed lots that may be available for use in this Program.
3. TCHCDC also works directly with the other area non-profits to ensure that all possible services are provided to their households and the community.

Con:

1. There are limited local funds available for housing projects due to the tight local governments in the area.

- **Market Demand:**

Pro:

1. Local community leaders indicate that they are limited in creating and expanding employment due to the lack of quality, new construction single-family homes in the area
2. TCHCDC is currently working with three (3) households that interested in the new construction of single-family homes.
3. The most recent Housing Needs Assessment completed for this area indicates that there is a need for newly constructed, affordable single-family homes.

Con:

1. There is little new home construction activity in the area due to the difficulty in obtaining appraisals that support the cost of the construction of the homes. In addition, there are a number of homes on the market in these areas.

- **Explain Variances from Ranges:** No variances from the range.

Other Projects funded in Bent, Crowley and Otero Counties since 10/07:

- Crowley County/TCHCDC - Down Payment Assistance Program, \$61,880 – 4/08

Other Local Government/TCHDC funded projects since 9/07:

- Crowley County/TCHCDC - Down Payment Assistance Program, \$61,880 – 4/08

Bent County AMI: \$40,500

Crowley County AMI: \$39,300

Otero County AMI: \$43,200

Staff Recommendation: Partial Funding of \$93,000 for the completion of 3 homes

Date of Meeting: November 10, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

**Otero County/Tri-County Housing and Community Development
Self-Help Housing Rehabilitation Program**

Project Number: 09-009

Project Manager & Address: Ms. Ramona Stites
Tri-County Housing and Community Development Organization
P.O. Box 87
Fowler, Colorado 81039
(719) 263-5168 telephone
(719) 263-5460 fax
monie@tchcdc.org

Project Address: Various



Project Description: Otero County, on behalf of the Tri-County Housing and Community Development Organization (TCHCDC), is requesting a grant of \$275,000 to continue the funding of their three-county (Bent, Crowley and Otero) Self-Help, Single-family, Owner-Occupied Rehabilitation Program for households at 80% of Area Median Income or less. The new grant funds will be combined with other sources to provide low-interest loans for 10 self-help rehabilitation projects. These grant funds are combined with Rural Develop low-interest mortgages to assist first-time buyers become home owners. All households must attend first-time homebuyer training and contribute at least 20 hours a week of labor. This self-help housing rehabilitation program has received funding from the Colorado Division of Housing since 2005 and has completed a total of 20 homes to date.

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Self-Help Rehabilitation	\$267,500	\$200,000	\$34,000 \$30,000 \$3,500	Revolving Loan Fund FHLLB Local Communities (ii)	Committed Pending Committed
Home Purchase	\$650,000		\$650,000	Rural Development Loans	Pending
Program Administration	\$18,500	\$15,000	\$3,500	(iii) Local Communities (iv)	Committed
Project Administration	\$60,000	\$60,000			
Totals	\$996,600	\$275,000	\$721,000		

Staff Allocation Plan

Position		Rehab	SHR	CHDO Dev.	Counseling	Other
Executive Director	\$75,251	\$1,671	\$361	\$11,333		\$61,886
Assistant Director	\$47,254	\$17,092	\$11,285	\$15,237		\$3,640
Intake Specialist	\$24,830	\$4,000	\$4,000	\$4,000	\$12,830	\$0
Acctng & Human R	\$31,416	\$9,824	\$3,292	\$3,141		\$15,159
Rehab & SHR Super	\$44,535	\$17,268	\$22,267	\$5,000		\$0
Totals	\$223,286	\$49,855	\$41,205	\$38,711	\$12,830	\$80,685

PROJECT ASSESSMENT FOR SFOO REHABILITATION

Criteria	Project Data	DOH Range
Rehabilitation Financing		
Value of Current Portfolio	\$435,393	
Total # of Current Loans in Portfolio	20	
# of Deferred Loans in Portfolio	0	Up to 25%
Value of Loans Deferred until Sale or Transfer	\$0	
Annual Program Income	\$39,190	
Total # of New Loans	20	
New Loans from Program Income	2	
New Loans from CDOH Grant	18	
Maximum CDOH Loan Amount	\$24,999	\$24,999
Loan Terms and Rates	1 – 5%, up to 30 years	0 % to commercial rate
Rehabilitation Costs		
Average Cost of Rehabilitation	\$21,770	\$9,750 to \$25,000
Average Cost of Replacement Housing	None planned	\$25,000 to \$66,000
Average Emergency Repair Cost	None planned	
Market Information		
Qualifying Household Income	\$26,950 – \$43,100	50%-80% AMI, 4 people
Number of Applicants on Waiting List	15	
Geographic Distribution of Projects (% population / % of completed projects)	Bent – 20%/10% Crowley – 18%/5% Otero – 62%/85%	Percentages should be similar
Program Operations		
Administrative Cost/New Loan	\$7,500	\$2,500 - \$4,500 unit per new loan or actual admin cost
CDOH Funding Eligibility	HOME, CDBG HDG	

COMMENTS:

- **Management Capacity:**

Pro:

1. TCHCDC has recently hired a new Executive Director (10/07) that has extensive affordable housing program background. Since October 2007, TCHCDC has reduced staff, developed a 2-year Strategic Business Plan, and has completed a reorganization of their accounting systems.
2. TCHCDC provides first-time home buyer education and credit counseling, down payment assistance, disaster relief, housing rehabilitation programs and manages several rental apartment projects in their three-county area.
3. A CDOH monitoring visit for this program completed October 22, 2008 found no monitoring issues.

Con: None.

- **Public/Private Commitment:**

Pro:

1. Counties and cities in the region are contributing a total of \$7,000 to assist with rehabilitation activities and salaries for this Program.
2. TCHCDC also receives grant funds for the Self-Help Housing Rehabilitation Program through the Federal Home Loan Bank Board. In addition, this Program assists potential homeowners in obtaining low-interest loans through Rural Development that can have terms as low as 1% for 38 years. Rural Development provides evaluation and home inspection services to ensure that the homes being purchased can be rehabilitated and appraise appropriately.

Con: None.

- **Market Demand:**

Pro:

1. Tri-County Housing, Inc. has completed approximately 10 homes under this Program in each of the last two years. The proposed production for this contract is in line with actual previous production.
2. The Spring 2005 Housing Needs Assessment indicates that the repair and renovation of existing homes in the TCHCDC market area remains an important priority for the region.
3. All but one of the homes rehabilitated and purchased through this Program were vacant homes. Realtors and local governments have expressed their support for this Program as a way to increase the vitality of their neighborhoods.

Con:

1. The percent of production is less than the percent of population for Crowley and Bent County. Tri-County will continue to market this program through various means to increase production in these counties.

- **Explain Variances from Ranges:** No variances from the range.

Other Projects funded in Bent, Crowley and Otero Counties since 10/07:

- Crowley County/TCHCDC - Down Payment Assistance Program, \$61,880 – 4/08

Other Local Government/TCHDC funded projects since 10/07:

- Crowley County/TCHCDC - Down Payment Assistance Program, \$61,880 – 4/08

Bent County AMI: \$40,500

Crowley County AMI: \$39,300

Otero County AMI: \$43,200

Staff Recommendation: Full Funding

Date of Meeting: November 10, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

**Huerfano County/South Central Council of Governments
Single-Family, Owner-Occupied Housing Rehabilitation Program**

Project Number: 09-010

Project Manager & Address: Priscilla Fraser
South Central Council of Governments
300 Bonaventure Avenue
Trinidad, Colorado 81082
(719) 845-1133 telephone ext. 216
(719) 845-1130 fax
Email: pfraser@sccog.net

Project Photos:



Project Address: Various locations in Huerfano and Las Animas counties

Project Description: Huerfano County, on behalf of the South Central Council of Governments (SCCOG), is requesting a grant of \$350,000 to continue the funding of their two-county (Huerfano and Las Animas) Single-Family, Owner-Occupied Rehabilitation Program. These grant funds will be used to provide low-interest loans for twenty (20) rehabilitation projects and five (5) essential repairs to households at 80% of the Area Median Income in these counties. This rehabilitation program has received funding from the Colorado Division of Housing since 1987 and has completed the rehabilitation of over 412 homes.

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Rehabilitation	\$677,822	\$268,088	\$250,566 \$33,769 \$23,000 \$64,999 \$37,400	RLF RD Housing Preservation Grant Huerfano/Las Animas Counties Medicaid Energy Outreach	Committed Committed Committed Committed Pending
Essential Repairs	\$21,000		\$21,000	RLF	Committed
Program Administration	\$129,065	\$37,200	\$61,867 \$5,065 \$1,200 \$6,600 \$17,133	SCCOG RD Housing Preservation Grant Las Animas County Energy Outreach Medicaid	Committed Committed Committed Pending Committed
Project Administration	\$50,485	\$44,712	\$450 \$5,323	RD Housing Preservation Grant SCCOG	Committed Committed
Totals	\$878,372	\$350,000	\$528,372		

PROJECT ASSESSMENT FOR SFOO HOUSING REHABILITATION

Criteria	Project Data	DOH Range
Rehabilitation Financing		
Value of Current Loan Portfolio	\$3,034,038	
Total # of Loans in Portfolio	203	
# of Deferred Loans in Portfolio	53	
Value of Loans Deferred until Sale or Transfer	\$764,730	Up to 25%
Annual Program Income	\$270,000 – including payoffs	
Total # of New Loans	20	
New Loans from Program Income	13	
New Loans from CDOH Grant	7	
Maximum CDOH Loan Amount	\$24,999	\$24,999
Loan Terms & Rates	1 – 5%, up to 30 years	
Rehabilitation Costs		
Average Cost of Rehabilitation	\$21,450	\$9,750 to \$25,000
Average Cost of Replacement Housing	None planned	\$25,000 to \$66,000
Average Emergency Repair Cost	\$5,200	
Market Information		
Qualifying Household Income	Up to \$43,100	Up to 80% AMI, 4 people
Number of Applicants on Waiting List	5	
Geographic Distribution of Projects (% population / % of completed projects)	Huerfano 34%/40% Las Animas 66%/60%	Percentages should be similar
Program Operations		
Administrative Cost/New Loan	\$8,978	\$2,500 - \$4,500 unit
CDOH Funding Eligibility	HOME, CDBG, HDG	

(v) SCCOG STAFFING ALLOCATION

Function	Program									
	Salary/Benefits	COG	Nutrition	Housing	AAA 3B	HCBS	DOLA	Transit	Childcare	Total
Executive Director	\$101,572	75%	1.25%	4%	2%	14.50%		1.3%	2%	100%
Loan Officer	\$51,121			100%						100%
Rehab Specialist	\$76,548			100%						100%
Business Manager	\$86,928	50%	3%	8%	4%	29%		3%	3%	100%
Regional Comm. Dev. Specialist	\$45,000	22%	1%	4%	2%	15%	53%	1%	2%	100%
Accounting Assistant	\$43,312		5%	16%	8%	58%		5%	8%	100%
Accts Payable clerical	\$27,036		5%	16%	8%	58%		5%	8%	100%

COMMENTS:

- **Management Capacity:**

Pro:

1. The staff of the South Central Council of Governments has extensive experience in the operation of the SFOO Housing Rehabilitation Program in Huerfano and Las Animas counties. This program consistently meets all contracted production and budget goals and is active in leveraging other resources for their homeowners.

Con:

1. A Colorado Division of Housing monitoring of this program in May 2008 resulted in one (1) finding that the SCCOG has corrected concerning citizenship verification.

- **Public/Private Commitment:**

Pro:

1. Counties and cities in the region are contributing a total of \$24,200 of in-kind services, fee waivers, and salaries to the SCCOG SFOO Rehabilitation Program.
2. The South Central Council of Government provides \$61,687 to the rehabilitation program through program support that includes; payroll functions, accounts payables maintenance, legal fees, vehicle use, and additional outreach in Huerfano County. In addition, SCCOG provides office space for the SFOO Rehabilitation staff valued at \$10,800/year.
3. In addition to the SFOO Rehabilitation Program, the SCCOG administers the Medicaid Home Modification Program for their service area. The Medicaid Home Modification Program provides grants to provide accessibility and mobility upgrades for eligible households.

4. SCCOG also receives funds from Energy Outreach Colorado provide energy-efficiency upgrades in their homes. This grant can be used for Energy Star appliance upgrades, insulation improvements, and window and door upgrades.

Con None.

- **Market demand:**

Pro:

1. Marketing efforts are designed to reach a broad audience of households including the elderly and lowest income households. Additional advertising is done through day care centers, on the local transportation provider, radio stations and social services.
2. The SCCOG has consistently maintained a waiting list for the rehabilitation program and currently has five (5) applicants on their waiting list.
3. The 2005 Housing Needs Assessment completed for this area indicated that the rehabilitation of the existing housing stock is a high priority.

Con None.

- **Explain variances from ranges:** None.

Other Projects funded in Las Animas County Since 10/08:

Las Animas/SCCOG – SFOO Housing Rehabilitation Program, \$329,049 grant, 10/07

Other Las Animas County/SCCOG Projects funded since 10/06:

Las Animas/SCCOG – SFOO Housing Rehabilitation Program \$329,049 grant, 12/07

Walsenburg Housing Authority/HLHR, Inc. – Home Ownership Acquisition/Rehabilitation/Resale Program, \$104,500 grant, 3/08 Las Animas County/HLHR, Inc. – Down Payment Assistance Program, 8/08

- **County AMI:** Huerfano County & Las Animas County - \$53,900

Staff Recommendation: Full Funding

Date of Meeting: November 12, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

**Conejos County Housing Authority/Plaza del Sol Manor, Inc.
Plaza del Sol Manor Apartments Rehabilitation**

Project Number: 09-012

Project Manager & Address: Ms. Simona Guillen
Executive Director
Conejos County Housing Authority
P.O. Box 366
La Jara, Colorado 81140
719.274.5417 telephone
719.274.0417 fax
Rabbit44@centurytel.net



Project Address: 59 Calle Miller, La Jara, Colorado

Project Description: The Conejos County Housing Authority requests a \$265,000 CDBG grant for the rehabilitation of the Plaza del Sol Manor Apartments in La Jara, Colorado. This project was originally constructed in 1986 and contains a total of 26 one-bedroom units. This project was built utilizing the HUD 202 Direct Loan Program and is owned by a local, single-purpose non-profit organization (Plaza del Sol Manor, Inc.). This project is adjacent to the hospital, the central business district and the proposed new nursing home. In addition, bus transportation and case management services are available to the residents. The rehabilitation plan for this property is based on a 3rd party capital needs assessment and includes new roofs, shower conversions and window replacements. This property serves many households at less than 30% of the Area Median Income through the HUD rental assistance for 100% of the units in this project. The term of affordability for this project will be extended based on the receipt of these CDBG funds.

Type of Units	# of Units	Income of Beneficiaries
<u>Affordable Units</u> (26) 1BR, () 2BR, () 3BR	26	≤ 50% of AMI (\$26,950)
<u>Market Rate Units</u> () 1BR, () 2BR, () 3BR	0	
<u>Total Units</u>	26	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Sources	Status
Project Refinancing	\$654,000		\$654,000	CHFA Smart & HOF Loan	Pending
Appraisal	\$3,250		\$3,250	CHFA Smart & HOF Loan	Pending
Architectural/Engineering	\$15,480		\$15,480	CHFA Smart & HOF Loan	Pending
Construction	\$314,803	\$240,000	\$66,000 \$8,803	Plaza del Sol Manor Reserves CHFA Smart & HOF Loan	Committed Pending
Contingency	\$15,000	\$15,000			
Loan Expenses	\$31,960		\$31,960	CHFA Smart & HOF Loan	Pending
CDBG Monitoring	\$10,000	\$10,000			
Project Reserves	\$35,000		\$35,000	CHFA Smart & HOF Loan	Pending
Developer Fee	\$7,507		\$7,507	CHFA Smart & HOF Loan	Pending
Totals	\$1,087,000	\$265,000	\$822,000		

PROJECT ASSESSMENT FOR Rental Acquisition/Rehabilitation

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	\$65.72/Sq. ft. & \$40,462/Unit	\$100 - \$140
Hard Cost/Unit/Sq. Ft.	\$59.42/Sq. ft. & \$37,839/Unit	\$90 to \$120
Soft Cost/Unit/Sq. Ft.	\$6.30/Sq. ft. & \$2,623/Unit	\$10 to \$20
Hard/Soft Cost	92%/8%	
Cost Effectiveness Rating		
DOH subsidy/unit	\$10,192	\$2,000 to \$10,000
Cost Person Rating	7 / \$929 / 30 years	1 to 10 Scale
Externality Rating	6	1 to 10 Scale
Rent Savings Rating	4 / 20%	1 to 10 Scale
Financial Leveraging Rating	3	1 to 10 Scale
Composite Score	20	
Operating Cost		
PUPA	\$4,450	\$3,700 to \$4,700
Annual Replacement Reserve/Unit	\$440	\$300
Debt Coverage Ratio	1.25	1.10 to 1.20
Capitalized Operating Reserve	\$35,000 4 months	4 months of debt & operating costs
Financial Commitments		
Terms of Primary Financing	CHFA: \$550,000 @ 6.35% for 30 years and \$206,000 @ 3.00% for 30 years	
P.V. Tax Credits	N/a	\$.85 to .95
DOH Requirements		
Priority	Preservation	
Eligibility Criteria	CDBG, HOME, HDG	
Other Criteria		
# of Fully Accessible Units	3 & 12%	5% of Units Minimum
# of Visitable Units	26 & 100%	All units Encouraged
		Units Have Minimum 80

# of Energy Star Units	26 & 100%	HERS Rating or equivalent
Water Efficient Landscape	No changes to existing landscape planned	Follow Denver Water Board Recommendations
# of 30% Units	0 & 0%	5% of Units Encouraged

COMMENTS:

- **Management Capacity**

Pro:

1. The development team includes an experienced HUD 202 project developer who will assist throughout the application, rehabilitation, and reporting periods of this project.
2. Plaza de Sol Manor, Inc. will remain the owner of this property and will continue to manage the apartments, including the on-going rental assistance contract.

Con:

1. This is the first CDOH grant/loan application submitted by the Conejos County Housing Authority.

- **Public/Private Commitment**

Pro:

1. HUD has provided pre-payment approval for the existing loan and will execute a Use Agreement that will continue the income and rental assistance requirements found in the current Housing Assistance Payment (HAP) contract for this project.
2. Existing project replacement reserves in excess of \$65,000 have been committed to the completion of the rehabilitation of this project.
3. The Conejos County Housing Authority sponsored this application and will assist with the Davis-Bacon wage monitoring and the overall rehabilitation project.

Con:

1. There is no financial contribution from the city or county for this project.

- **Market Demand**

Pro:

1. This project has maintained consistent occupancy over the last 2 years with an average vacancy rate of 5% or less.
2. This is the only deeply subsidized senior independent apartment project in Conejos County.
3. Based on the current rent roles, many households in this property are 30% AMI or below with an average income of \$7,000/year.

Con: None.

- **Explain Variances from ranges:**

1. The total development costs and both hard and soft costs are lower than the range due to the relative simplicity of the project and that the refinancing cost (reflected in budget) is less than the actual appraised value of the project.

2. The DOH Subsidy per unit is higher than the range due to funding gap created in this project due to the rent structure and the inability of this project to take on additional debt.
3. The debt coverage ratio is slightly higher than the CDOH range due to nature of the HUD pro forma process (HUD determines the cash flow and replacement reserve deposits on an annual basis).

- **Other Projects funded in Conejos County Since 10/07:** None.
- **Other Conejos County Housing Authority funded projects since 10/07:** None.

County AMI: \$45,300

Staff Recommendation: Full Funding

Date of Meeting: November 10, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: Plaza del Sol Manor

Spreadsheet directions are to the right ---->

Date: 11/4/2008

Applicant: Conejos County Housing PAGE #1

Spreadsheet Version: Application Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent	Administrative Expenses		
					0	Management Fee		0.00%
1Br/1Ba	50%	26	540	617	192,504	On-site Personnel Payroll	25,510	
					0	Health Ins. & Benefits	7,590	
2Br/1Ba					0	Legal & Accounting	5,600	
					0	Advertising	600	
3Br/2Ba					0	Office Supplies	2,650	
					0	Telephone	500	
					0	Audit	5,600	
					0	Other		
					0	Total Administrative Expenses	48,050	24.96%
					0	Operating Expenses		
					0	Utilities (owner paid)	32,972	
					0	Trash Removal	780	
					0	Fire & Liability Insurance	3,000	
					0	Other		
					0	Total Operating Expenses	36,752	
	Total units	26	Total Rent Income		192,504	Maintenance		
	Total sq ft	14,040				Maintenance	10,934	
			Parking Income		0	Repairs	8,535	
			Laundry Income		624	Grounds (inc. snow removal)		
			Other Income		0	Other		
			Total Income		193,128	Total Maintenance	19,469	
	Vac. Rate	0.05	Less Vacancy		-9,656	Real Estate Taxes		
	Effective Gross Income				183,472	Operating Reserve		unit avg.= 0
						Replacement Reserve	11,438	unit avg.= 440
DEBT SERVICE						TOTAL ANNUAL EXPENSES	115,709	
	1st Mortgage				35,926	NET OPERATING INCOME	67,763	
	2nd Mortgage				18,466	P.U.P.A. Expenses *	4,450	
	3rd Mortgage				0	* P.U.P.A = Per Unit Per Annum Expenses		
TOTAL DEBT SERVICE					54,392			
	BEP	31.85%	Poss D/S @ 1.15 DCR		62,551			
BEP = Break Even Point			Project Debt Coverage Ratio		-1.246			

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

* P.U.P.A = Per Unit Per Annum Expenses

**Housing Authority of the County of Montezuma (HACM)
Brubaker Place Apartments**

Project Number: 09-011

Project Manager & Address: Terri Wheeler, Executive Director
37 North Madison, Cortez, CO 81321
(970) 565-3831
terriwheeler@beyondbb.com



Project Address: 2001 East Empire St., Cortez, CO

Project Description: HACM is requesting a \$950,000 grant to construct 48 units of low-income family apartments in the City of Cortez. The project will use permanent financing from a fixed-rate USDA loan, Low-Income Housing Tax Credits, an AHP grant, and owner equity from HACM. It will contain one one-bedroom, one two-bedroom, and one three-bedroom unit at 30 % AMI, as well as 3 one-bedroom, 10 two-bedroom, and 7 three-bedroom apartments affordable at or below 50% AMI. It will also contain 4 one-bedroom, 13 two-bedroom, and 8 three-bedroom units affordable at or below 60% AMI. The development will be located on 4 acres within one mile of employment, shopping, and schools and will include a community center building of about 2,500 square feet.

Unit Type	<u>Unit #</u>	<u>Beneficiaries' Income</u>
<u>Affordable Units</u> (1) 1BR, (1) 2BR, (1) 3BR (3) 1BR, (10) 2BR, (7) 3BR (4) 1BR, (13) 2BR, (8) 3BR	3 20 25	≤ 30% of AMI (\$30,200 - \$53,900) ≤ 50% of AMI (\$30,200 - \$53,900) ≤ 60% of AMI (\$30,200 - \$53,900)
<u>Market Rate Units</u> (0) 1BR, (0) 2BR, (0) 3BR	0	
<u>Total Units</u>	48	

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land Acquisition	\$250,000		\$250,000	HACM Equity	Committed
Appraisal, Market Study, Soils, Env.	\$27,500		\$27,500	LIHTC Proceeds	Committed
Building Permit and Tap Fees	\$327,000	\$70,000	\$117,000 \$140,000	HACM Equity FHLB AHP Grant	Committed Pending
Off-Site Infrastructure	\$80,000	\$80,000			
On-Site Infrastructure and Site Work	\$800,000	\$800,000			
Construction	\$5,029,894		\$1,400,000 \$3,629,894	USDA 538 LIHTC Proceeds	Committed Committed
Contingency	\$225,000		\$225,000	LIHTC Proceeds	Committed
Architect, Engineering	\$220,280		\$220,280	LIHTC Proceeds	Committed
Const. Interest, Fees, Taxes, Ins., Bonding	\$415,500		\$415,500	LIHTC Proceeds	Committed
Permanent Financing, Legal and LIHTC Costs	\$236,662		\$236,662	LIHTC Proceeds	Committed
Developers Fee	\$1,150,000		\$864,272 \$285,728	LIHTC Proceeds Deferred	Committed Committed
Operating Reserves	\$156,000		\$156,000	LIHTC Proceeds	Committed
Totals	\$8,917,836	\$950,000	\$7,967,836		

PROJECT ASSESSMENT FOR Rental New Construction

Criteria	Project Data	DOH Range
Building Cost		
Cost/sq. ft./Unit Cost	\$176.37/Sq. ft. /\$185,788/Unit	\$120 - \$180
Hard Cost/Unit/Sq. Ft.	\$134.41/Sq. ft. / \$134,832/Unit	\$95 to \$140
Soft Cost/Unit/Sq. Ft.	\$45.60/Sq. ft. / \$45,749/Unit	\$25 to \$40
Hard/Soft Cost	75%/25%	
Land Cost/Unit	\$5,208	\$10,000 - \$18,000
Cost Effectiveness Rating		
DOH subsidy/unit	\$19,791	\$4,000 to \$10,000
Cost Person Rating	7 / \$1,143 / 50 years	1 to 10 Scale
Externality Rating	8	1 to 10 Scale
Rent Savings Rating	3 / 14%	1 to 10 Scale
Financial Leveraging Rating	9	1 to 10 Scale
Composite Score	27	
Operating Cost		
PUPA	\$3,979	\$3,200 to \$4,200
Debt Coverage Ratio	1.17	1.10 to 1.20
Financial Commitments		
Terms of Primary Financing	USDA; \$1,140,000, 5.5%, 40yr	
P.V. Tax Credits	.78	\$.85 to .95
DOH Requirements		
Priority	Special Needs, High Growth	
Eligibility Criteria	CDBG, HOME, HDG	
Other Criteria		
# of Fully Accessible Units	3 / 6.5%	5% of Units Minimum
# of Visitable Units	24 / 50%	All units Encouraged
# of Energy Star Units	48 / 100%	Units Have Minimum 80 HERS Rating or equivalent
Water Efficient Landscape	yes	Follow Denver Water Board Recommendations

# of 30% Units	3 / 6.5%	5% of Units Encouraged
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COMMENTS:

- **Management Capacity**

Pro

1. HACM has long-term experience in ownership and operation of rental property including two previous LIHTC projects, in addition to operating the Section 8 Voucher program.
2. HACM has a comprehensive development agreement with MGL Partners specifying development management services from them. MGL Partners has developed several tax credit projects as owner, or agent.
3. The Monroe Group will manage the project and they bring extensive experience including the current management of two tax credit projects in nearby Montrose County.

Con None

- **Public/Private Commitment**

Pro

1. The Housing Authority of the County of Montezuma is providing \$437,000 in equity to the project, including the value of the site. Vectra Bank is sponsoring the Federal Home Loan Bank Affordable Housing Program grant and the Topeka Branch representative has indicated that the project meets their scoring criteria in a manner that indicates high probability for funding at the proposed level.

Con None.

- **Market Demand**

Pro

1. The Housing Market Study dated July, 2008 by Prior and Associates supports a capture rate of 18.4 percent of the income and size qualified renter households in the primary market area that is gaining 23 new rental households per year.
2. The market area vacancy rate for apartments is 4.5%, and three income-restricted projects are currently carrying waiting lists of 40-45 applicants.
3. HACM has 26 unused Section 8 Vouchers due to renters being unable to find vacant units.

Con None

- **Explain Variances from ranges**

1. Brubaker Place is not located in a designated census tract or a difficult to develop area which would provide a 30 percent increase in the tax-credit calculation.
2. Recent tax-credit pricing has dropped with decreased demand to the \$.78 per dollar level. The CDOH subsidy per-unit far exceeds the suggested range and is similar to \$18,000 to \$20,000-per-unit CDOH subsidies recently granted to two similar Western Slope projects.
3. The gap is due to very low income levels for Montezuma County and the low rents achievable to service debt in a market dominated by much older apartments.
4. The gap is further driven by the high cost of construction in a market area where materials and

labor are drawn to surrounding mountain resort towns and the energy-related boom in single-family-home construction occurring in these oil and gas producing counties.

5. This project spreads the cost of LIHTC syndication, accounting, and legal costs over only 48 units, resulting in a high soft cost per-unit.

- **Other Projects funded in Montezuma County Since 11/07:** None
- **County AMI:** \$53,900
- **Other Housing Authority of the County of Montezuma projects funded since 11/07:** None

Staff Recommendation: Full Funding

Date of Meeting: November 10, 2008

Anarde		Lucero	
Gregory		Rosser	
Hatcher		Weitkunat	
Kelly			

COLORADO DIVISION OF HOUSING * HOUSING DEVELOPMENT ANALYSIS SPREADSHEET

Project Name: Brubaker Place

Spreadsheet directions are to the right ---->

Date: 11/4/2008

Applicant: Housing Authority of the (PAGE #1

Spreadsheet Version: 1 Operating Proforma

STABILIZED FIRST YEAR INCOME						EXPENSES		
	% AMI	#of units	Sq. Ft.	Monthly Rent	Total Annual Rent			
					0	Administrative Expenses		
						Management Fee	20,000	6.46%
1Br/1Ba	30%	1	755	242	2,904	On-site Personnel Payroll	32,100	
1Br/1Ba	50%	3	755	444	15,984	Health Ins. & Benefits		
1Br/1Ba	60%	4	755	480	23,040	Legal & Accounting	7,000	
2Br/2Ba	30%	1	948	285	3,420	Advertising	1,000	
2Br/1Ba	50%	10	948	526	63,120	Office Supplies	3,000	
2Br/1Ba	60%	13	948	550	85,800	Telephone	2,000	
3Br/2Ba	30%	1	1210	330	3,960	Audit	8,000	
3Br/2Ba	50%	7	1210	610	51,240	Consultants Other	5,000	
3Br/2Ba	60%	8	1210	625	60,000	Total Administrative Expenses	78,100	25.24%
					0	Operating Expenses		
					0	Utilities (owner paid)	27,500	
					0	Trash Removal	5,000	
					0	Fire & Liability Insurance	11,000	
					0	Other		
					0	Total Operating Expenses	43,500	
	Total units	48	Total Rent Income		309,468	Maintenance		
	Total sq ft	48,152				Maintenance	12,000	
			Parking Income		0	Repairs	14,000	
			Laundry Income		5,760	Grounds (inc. snow removal)	20,000	
			Other Income		0	Supplies	9,000	
			Total Income		315,228	Total Maintenance	55,000	
	Vac. Rate	0.07	Less Vacancy		-22,066	Real Estate Taxes		
			Effective Gross Income		293,162	Operating Reserve		unit avg. = 0
						Replacement Reserve	14,400	unit avg. = 300
			DEBT SERVICE			TOTAL ANNUAL EXPENSES	191,000	
			1st Mortgage		(86,649)	NET OPERATING INCOME	102,162	
			2nd Mortgage		0	P.U.P.A. Expenses *	3,979	
			3rd Mortgage		0			
			TOTAL DEBT SERVICE		(86,649)			
	BEP	89.72%	Poss D/S @ 1.1 DCR		92,875			
			Project Debt Coverage Ratio		1.179			

BEP = Break Even Point

Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio

* P.U.P.A = Per Unit Per Annum Expenses

**STATE HOUSING BOARD
BUDGET SUMMARY
Monday, November 10, 2008**

	CDBG 4/1/2008 - 3/31/2009	HOME 4/1/2008 - 3/31/2009	HDG 7/01/2008 - 6/30/2009	RLF 7/01/2008 - 6/30/2009	Program Income 7/01/2008 - 6/30/2009
Current Allocation	\$3,376,642	\$6,591,731	\$2,225,000	\$0	\$0
Available Funds as of November 04, 2008	\$4,415,570	\$0	\$1,378,331	\$1,460,154	\$176,752